

COMMONWEALTH BUREAU OF CENSUS AND STATISTICSCANBERRA, AUSTRALIA

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SURVEY OF SELECTED LARGE PRIVATE PENSION FUNDS1963-64

This bulletin gives the results of a survey relating to the year 1963-64 of separately constituted private pension funds operated by a small number of large companies or groups of companies. Results of earlier surveys are also included for comparison.

2. For 1955-56, 1960-61 and 1961-62 the Bureau conducted sample surveys of pension and retiring allowance schemes in private businesses subject to pay-roll tax, other than in rural industries, private domestic services, and certain businesses such as accountants, trade associations, consultant engineers, etc. Commonwealth Government airlines and banks were included where they had established their own funds separate from the Commonwealth superannuation funds, but statutory coal miners' pension funds were excluded. Details were asked for three types of pension and retiring allowance schemes. They were (a) schemes operated through life insurance offices, (b) schemes operated through separately constituted funds, and (c) direct payments of pensions and retiring allowances. There are certain differences in scope and definition between the survey of 1955-56 and those of 1960-61 and 1961-62.

3. The results of the 1955-56 survey are available in Finance Bulletin No. 47, Part 1, the 1960-61 survey results were published in Finance Bulletin No. 52, Part 1, and the 1961-62 survey results were published in Insurance and Other Private Finance Bulletin No. 1. A detailed analysis of the operations of government and semi-governmental superannuation funds is also available, for 1961-62, in Insurance and Other Private Finance Bulletin No. 1, and for years prior to 1961-62, in Part 1 of the Finance Bulletin. Since January, 1960, the Monthly Bulletin of Australian Life Insurance Statistics has contained some information on the superannuation business of life insurance offices.

4. A sample survey of pension and retiring allowance schemes for 1962-63, similar in scope to the sample survey of 1961-62, was recently conducted by the Bureau. Results of this survey are expected to be published early next year.

5. In the years 1956-57 to 1958-59 and 1963-64, information was collected from a selected number of the larger funds, and for the years 1960-61, 1961-62 and 1962-63 the returns for these selected pension schemes were extracted from the sample surveys and were tabulated in respect only of the business of their separately constituted funds. The private pension funds included in the tabulation of selected large funds for 1963-64, accounted, in 1961-62, for about 28 per cent. of the income and 27 per cent. of the expenditure of the funds covered by the more comprehensive sample survey and about 35 per cent. of the total assets.

6. Since the survey of selected larger funds is not a representative sample it is not yet known to what extent their share of the whole field has changed since the 1961-62 survey; nor is the pattern of income and expenditure and the percentage asset distribution of the selected larger funds necessarily representative of the whole field.

TABLE 1. - INCOME AND EXPENDITURE OF SEPARATELY CONSTITUTED PRIVATE PENSION FUNDS

(Year ended 30th June or substituted accounting period)
(£ million)

| | Estimated Survey Total (a) | | | Selected Large Funds | | | | | | | |
|--|-------------------------------|---------|---------|----------------------|---------|---------|---------|---------|---------|---------|---------|
| | 1955-56 | 1960-61 | 1961-62 | 1955-56 | 1956-57 | 1957-58 | 1958-59 | 1960-61 | 1961-62 | 1962-63 | 1963-64 |
| <u>Income</u> | | | | | | | | | | | |
| Contributions - | | | | | | | | | | | |
| employees | 5.8 | 10.2 | 12.0 | 2.2 | 2.4 | 2.7 | 2.8 | 3.3 | 3.5 | 3.6 | 3.9 |
| employers | 13.2 | 20.8 | 24.3 | 3.7 | 4.0 | 4.0 | 4.2 | 5.8 | 6.1 | 6.1 | 6.4 |
| Interest, rent and dividends | 6.8 | 14.6 | 17.0 | 2.6 | 3.1 | 3.7 | 4.2 | 5.4 | 6.2 | 7.0 | 7.8 |
| Other Income (b) | 0.7 | 3.2 | 4.6 | 0.1 | 0.1 | 0.8 | 0.7 | 0.8 | 0.3 | 0.6 | 0.7 |
| <u>TOTAL</u> | 26.5 | 48.8 | 57.9 | 8.6 | 9.6 | 11.2 | 11.9 | 15.3 | 16.1 | 17.3 | 18.8 |
| <u>Expenditure</u> | | | | | | | | | | | |
| Pensions, retiring allowances and refunds | 5.9 | 12.1 | 14.6 | 1.9 | } 2.4 | } 2.6 | 3.0 | 3.8 | 4.4 | 4.9 | 5.6 |
| Other outlay (c) | 1.1 | 1.9 | 2.6 | .. | | | 0.1 | 0.2 | 0.2 | 0.3 | 0.3 |
| <u>TOTAL</u> | 7.0 | 14.0 | 17.2 | 1.9 | 2.4 | 2.6 | 3.1 | 4.0 | 4.6 | 5.2 | 5.9 |
| <u>Increase in fund</u> | 19.5 | 34.8 | 40.7 | 6.7 | 7.2 | 8.6 | 8.8 | 11.3 | 11.5 | 12.1 | 12.9 |

(a) For each year the amounts shown are in respect only of separately constituted pension funds and are estimated totals for the whole field from which the sample was drawn. Figures in these tables therefore exclude schemes operated through life insurance offices and direct payments of pensions and retiring allowances. See second paragraph of text for description of coverage.

(b) Includes profit on sale or revaluation of assets.

(c) Includes loss on sale or revaluation of assets.

TABLE 2. - ASSETS OF SEPARATELY CONSTITUTED PRIVATE PENSION FUNDS
(£ million, at Book Values at balance dates in the financial years quoted)

| | Estimated Survey Total (a) | | | Selected Large Funds | | | | | | | |
|---------------------------------|-------------------------------|---------|---------|----------------------|---------|---------|---------|---------|---------|---------|---------|
| | 1955-56 | 1960-61 | 1961-62 | 1955-56 | 1956-57 | 1957-58 | 1958-59 | 1960-61 | 1961-62 | 1962-63 | 1963-64 |
| Cash and bank balances | 13.0 | 8.7 | 7.9 | 2.8 | 2.6 | 2.6 | 2.5 | 3.0 | 2.3 | 3.3 | 4.1 |
| Commonwealth bonds | 51.3 | 45.5 | 52.9 | 12.0 | 12.0 | 11.3 | 9.0 | 7.8 | 10.5 | 13.0 | 15.8 |
| Local and semi-govt. securities | 41.9 | 74.4 | 82.8 | 18.8 | 21.3 | 24.1 | 24.8 | 27.1 | 28.9 | 31.4 | 31.0 |
| Loans on mortgage | 11.7 | 21.8 | 20.5 | 6.9 | 7.7 | 8.0 | 8.6 | 11.3 | 11.7 | 12.1 | 12.7 |
| Company shares and debentures | 39.4 | 136.9 | 157.2 | 20.8 | 24.8 | 30.9 | 40.5 | 54.9 | 62.3 | 67.7 | 76.4 |
| Other assets (net) | 11.0 | 7.6 | 10.9 | 0.2 | 0.4 | 0.5 | 0.8 | 0.7 | 0.5 | 0.8 | 1.2 |
| <u>TOTAL</u> | 168.3 | 294.9 | 332.2 | 61.5 | 68.8 | 77.4 | 86.2 | 104.8 | 116.2 | 128.3 | 141.2 |

(a) See note (a) to Table 1.

TABLE 3. - ASSETS OF SEPARATELY CONSTITUTED PRIVATE PENSION FUNDS

(Percentage distribution at balance dates in the years quoted)

| | Survey (a) | | | Selected Large Funds | | | | | | | |
|---------------------------------|------------|---------|---------|----------------------|---------|---------|---------|---------|---------|---------|---------|
| | 1955-56 | 1960-61 | 1961-62 | 1955-56 | 1956-57 | 1957-58 | 1958-59 | 1960-61 | 1961-62 | 1962-63 | 1963-64 |
| | % | % | % | % | % | % | % | % | % | % | % |
| Cash and bank balances | 8 | 3 | 3 | 5 | 4 | 3 | 3 | 3 | 2 | 3 | 3 |
| Commonwealth bonds | 30 | 16 | 16 | 19 | 17 | 15 | 10 | 7 | 9 | 10 | 11 |
| Local and semi-govt. securities | 25 | 25 | 25 | 31 | 31 | 31 | 29 | 26 | 25 | 24 | 22 |
| Loans on mortgage | 7 | 7 | 6 | 11 | 11 | 10 | 10 | 11 | 10 | 9 | 9 |
| Company shares and debentures | 24 | 46 | 47 | 34 | 36 | 40 | 47 | 52 | 54 | 53 | 54 |
| Other assets (net) | 6 | 3 | 3 | .. | 1 | 1 | 1 | 1 | .. | 1 | 1 |
| <u>TOTAL</u> | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 | 100 |

(a) See note (a) to Table 1.

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23RD NOVEMBER, 1964

NOTE: Inquiries concerning these statistics may be made in Canberra by telephoning 70413 Extension 583 or, in each State Capital, by telephoning the office of the Bureau of Census and Statistics.

